

**State of Rhode Island and Providence Plantations
Public Utilities Commission**

Minutes of Open Meeting Held November 30, 2005

Attendees: Chairman Elia Germani, Commissioner Robert Holbrook, Commissioner Mary Bray, Steve Frias, Cindy Wilson-Frias, Thomas Massaro, Alan Nault, Douglas Hartley and Luly Massaro

Chairman Germani called the open meeting to order at 2:00 P.M. in the second-floor hearing room of the Public Utilities Commission.

Minutes of Open Meeting held on October 26, 2005: Chairman Germani moved to approve the Minutes of Open Meeting held on October 26, 2005. The motion was seconded by Commissioner Bray and unanimously passed. Vote 3-0.

Competitive Telecommunications Service Providers:

The following company filed an application for authority to provide telecommunications service. The Division has reviewed the application and recommends approval of:

3712 – New Horizons Communications Corp.

3711 – ClearLinux Network Corp.

2262(F20) – AmeriVon LLC

After review, Chairman Germani asked for a motion and Commissioner Bray moved to approve the applications of the

companies. The motion was seconded by Commission Holbrook and unanimously passed. Vote 3-0.

The following companies submitted tariff revisions. The Division has reviewed the tariff revisions and does not recommend suspension of:

3663 – Budget Phone, Inc. (tariff filing on 11/2/05)

2472 – Sprint Communications (tariff filing on 11/15/05)

2426 – TCG Rhode Island (tariff filings on 11/3, 11/10, 11/16, 11/17 and 11/18/05)

3647 – XO Communications Services, Inc. (tariff filing on 11/17/05)

2878 – Choice One Communications of RI (tariff filing on 11/21/05)

2618 – AT&T Communications of NE, Inc. (tariff filings on 11/7 and 11/9)

2262(M1) – Talk America, Inc. (tariff filing on 11/7/05)

2262(Z) – Intellical Operator Services, Inc. (tariff filing on 11/9/05)

2262(A6) – SBC Long Distance, LLC (tariff filings on 11/4 and 11/18/05)

2262(V19) – Phone 1, Inc. (tariff filing on 11/18/05)

After review, Chairman Germani moved to follow the Division's recommendation that the tariff filings be allowed to go into effect without suspension.

Verizon Rhode Island Interconnection Agreements (ICAs)

The following ICAs were submitted for approval. The Division has reviewed the ICAs and recommends approval of:

3705 – ICA and Amendment No. 1 between Verizon RI and Eureka

Telecom, Inc.

3704 – ICA and Amendment No. 1 & 2 between Verizon RI and Navigator Telecommunications LLC

After review, Chairman Germani asked for a motion and Commissioner Bray moved to approve the ICAs. The motion was seconded by Commission Holbrook and unanimously passed. Vote 3-0.

3659 – Rules to Implement a Renewable Energy Standard (RES) – Ms. Wilson-Frias summarized the Staff's reviewed of the comments received to the Commission's (or PUC) proposed RES rules and the Staff's recommendation. The following issues were raised through comments and incorporated into the final RES rules:

(1) Mr. Grasso's (of SilentSherpa) request to abandon the Negotiated Rulemaking Committee's report: The Commission rejected Mr. Grasso's request to abandon the Negotiated Rulemaking Committee's report and start over. Commission determined that Mr. Grasso and all other members of the public were afforded adequate due process and adequate notice and opportunity to be heard under the procedures followed in accordance with the Administrative Procedures Act. The Commission did not find the conflict of interest argument persuasive. The Commission did not find any evidence of a conflict of interest tainting the process.

(2) Summary of Decision on Rules:

· The Commission maintained the Definition of Eligible Biomass Fuel. The Commission relied on parties' testimony at Tech Session that the definition provides clarification of verbage that did not constitute terms of art and further, that the clarifications made these Rules consistent with other jurisdictions.

· The Commission removed the requirement that NGRID list incremental costs of compliance on the NGRID bill, but the Report that will accompany the final rules will require NGRID to include a bill insert not less than annually to explain the RES and the costs/benefits to customers.

· The Commission maintained Option B for the Aggregation Verifier, but the Commission will send a letter to NEPOOL as requested by commenters requesting a rule change to make Option A feasible.

· The Commission maintained language regarding contract procurement for NGRID. The Commission initially included such language because it believed the renewable energy market needs longer term contracts to acquire funding and be viable and that position did not change.

· The Commission did not choose to exercise oversight over the Administration of the REDF. This program is more akin to the Renewables Fund than the DSM. The DSM is actually administered

by a regulated utility whereas the Renewables Fund is administered by another state agency without oversight by the PUC.

- The Commission accepted the State Energy Office's language with regard to Section 3.22(v)-(vi) defining New Renewable Energy Resources without the initial reference to "over 110%"**

- The Commission accepted the SEO's language regarding Certification of Existing Renewable Energy Resources in Section 6.1(iv).**

- The Commission discussed the lack of language regarding Greenhouse Gas and determined measurable reductions are not required by statute.**

- The Commission will put the proposed language from the Committee Report regarding future cooperation between Commission and DEM in the Report, but not in the Rules.**

The Commission unanimously adopted new RES rules incorporating the modifications discussed at this open meeting. Vote 3-0.

3675 – Newport Water Division – The Commission reviewed Newport Water's compliance tariff filing submitted on November 18, 2005. After review, Chairman Germani asked for a motion and Commissioner Bray moved to approve the compliance tariff filing

made by Newport Water. The motion was seconded by Commission Holbrook and unanimously passed. Vote 3-0.

3674 – Pawtucket Water Supply Board – The Commission reviewed Pawtucket Water's compliance tariff filing submitted on November 18, 2005. After review, Chairman Germani asked for a motion and Commissioner Holbrook moved to approve the compliance tariff filing made by Pawtucket Water. The motion was seconded by Chairman Germani and unanimously passed. Vote 2-0. Commissioner Bray recused herself from the decision as she had not participated in the matter.

3684 – Providence Water Supply Board – The Commission discussed the outstanding issues and terms of the Stipulation/Settlement entered between the parties, Providence Water Supply, Division of Public Utilities & Carriers and Kent County Water Authority. The Commission deliberated as follows:

• Health care benefits for Board Members: Commissioner Holbrook moved to allow the current practice and arrangement that the three board members' health benefits continue be paid from revenues derived from the ratemaking process under until their respective terms expire, and disallow funding of health benefits for any future board member from revenues derived from the ratemaking process. This represents a transition approach comparable to what Commission did in Kent County Water Authority Docket 3660.

Commissioner Bray supported the proposal set forth in the Settlement. Chairman Germani supported and seconded Commissioner Holbrook's motion. Commissioner Bray opposed Commissioner's Holbrook's motion. Vote 2-1.

· Rate design: Chairman Germani moved to maintain the current Private Fire Service rates. The motion was seconded by Commissioner Holbrook and unanimously passed. Vote 3-0.

· Stipulation/Settlement: Chairman Germani moved to approve the Settlement as proposed with the modification to Paragraph 11 of the Settlement. Commissioner Holbrook seconded the motion. Commissioner Bray supported the motion but would have approved the entire settlement. Vote 3-0. As approved, the Settlement will provide PWSB with additional revenues of \$4,65,347 for a total cost of service of \$50,974,694 effective January 1, 2006.

The open meeting adjourned at 3:00 P.M.